

Marvin S. Fertel
SENIOR VICE PRESIDENT AND
CHIEF NUCLEAR OFFICER

December 7, 2004

Mr. Luis Reyes Executive Director for Operations U. S. Nuclear Regulatory Commission Washington, DC 20555-0001

PROJECT NUMBER: 689

Dear Mr. Reyes:

Recently, the NRC staff outlined the proposed rule language for changes to 10 CFR 50 Appendix R Section III.G.2. The purpose of this rulemaking is to permit the use of operator manual actions for redundant shutdown in the event of fire without the need for prior NRC approval. While we agree that a rule change can accomplish this goal, the specific language proposed by the staff will result in expensive plant changes or exemption requests that do not improve safety. This will defeat the purpose of allowing the use of manual actions without exemptions to Section III.G.2. We propose that the rule language be revised to better accomplish this purpose before it is published in the Federal Register for public comment.

In late 2001, NRC inspectors began to identify concerns that manual actions for III.G.2 fire areas had not received prior NRC approval. In a January 2002 letter to NRC, NEI indicated that manual actions for these areas should not require prior NRC approval if the licensee could demonstrate feasibility. In June 2002, NEI presented to NRC numerous examples of licensees using manual actions in III.G.2 areas that had been reviewed without comment by NRC inspectors. NRC then agreed that a safety focus was appropriate and initiated steps toward a rulemaking. In March 2003, NRC included in its inspection guidance reasonable criteria for determining the feasibility of manual actions. Later, however, NRC added additional criteria that will result in significant expense for plant changes, or exemption requests, with no significant safety improvement. These criteria include requirements for:

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- Automatic suppression in the area of the fire
- An arbitrary time margin factor that is not consistent with the use of operator actions in other areas of plant operation.

Implementing these criteria into the proposed rule will not appreciably improve safety, reliability, or feasibility of the manual actions, and will result in either expensive modifications or numerous exemption requests that do not improve safety. This clearly was not the intent of the original rulemaking, and these provisions would not likely pass the criteria of 10 CFR 50.109. We offer specific comments in the enclosure.

The following is a summary of our recommendations:

- Provide a concise rule change to effect rulemaking goals, and place appropriate acceptance criteria for manual actions in a Regulatory Guide
- Address security events in 10 CFR 73 rulemaking rather than in manual actions rulemaking (we note the staff's stated intent to separate security issues from the manual actions rulemaking)
- Eliminate the requirement for additional automatic suppression in the area of the fire
- Treat manual actions consistently with other operator actions and eliminate the requirement for time margin factor
- Improve stakeholder participation in the process of developing reasonable acceptance criteria and in addressing other concerns about the rulemaking

We would welcome the opportunity to meet with you to discuss this issue further. If you have any questions about these comments, please contact me (202-739-8125; msf@nei.org), Alex Marion (202-739-8080; am@nei.org), or Fred Emerson (202-739-8086; fae@nei.org).

Sincerely yours,

Marvin S. Fertel

Enclosure

c: Mr. James Dyer, NRR
Ms. Suzanne Black, NRR
Mr. John Hannon, NRR
Document Control Desk

Enclosure

Industry Comments on the Proposed Manual Actions Rule

1. The language of the rule should be simplified and a revised version of the currently proposed Section III.P language be placed in a Regulatory Guide. The currently proposed language in Section III.P is far too detailed for the rule itself. A cumbersome rulemaking process would be necessary to make adjustments as new information on manual action feasibility and reliability emerges. We recommend modifying the NRC-proposed III.G.2 paragraph c-1 as follows:

"Operator manual actions that, in concert with other fire protection features, maintain one train of safe shutdown equipment free of fire damage."

This would be the entire addition to Section III.G.2. We also recommend placing a revised version of the proposed Section III.P (see comments below) in a Regulatory Guide.

2. The Regulatory Guide should contain the acceptance criteria for gauging the reliability and feasibility of operator manual actions described in the new paragraph c-1 in Section III.G.2. The version of these criteria presented in NRC Inspection Manual 71111.05 (March 6, 2003) provided a reasonable approach, and the Regulatory Guide should reflect these criteria.

NEI provided detailed comments on subsequent staff changes to some of these criteria in our letter of January 27, 2004. We expressed particular concern about the new requirements for detection and suppression in the area of the fire and for equipment preconditions." These comments were not reflected in the proposed rule language provided recently to the ACRS. Additional requirements have also been added; these are addressed in comments below.

3. The requirement for automatic suppression in the area of the fire adds nothing to the operator's ability to carry out a manual action in a different area, and should be removed from the proposed rule (or Regulatory Guide) language. Adequate suppression is already provided in fire areas based on fire hazards analysis results, in accordance with current regulations. The proposed requirement would enhance neither the feasibility nor the reliability of these actions. At best, it would result in a small improvement in the frequency of a damaging fire.

This requirement would result in the expenditure of millions of dollars for new suppression systems at most plants with little or no safety gain. The obvious alternative would be exemption requests for the existing configurations, which would result in a high administrative burden on the staff and industry with no improvement in safety. This would also negate the purpose of the rulemaking itself, which was to allow the use of appropriate operator manual actions without the need for exemptions from III.G.2.

4. The NRC should remove the requirement for a 100% time margin factor and instead treat manual actions consistently with other operator actions used in plant operations and event response. The proposed requirement is intended to allow for uncertainties in the ability of the operating crews to carry out the manual actions; instead, it negates the demonstrated performance of the operating crews.

Operator actions to carry out EOPs and Severe Accident Management Guidelines, in place at plants for many years, are not penalized with these arbitrary time margin factors to assure reliability. Since the results of these actions are at least as consequential as those for fire safe shutdown, there is no apparent reason for this new requirement.

We propose instead a performance-based approach that would:

- Provide more credit for demonstrated performance
- Allow alternate methods for demonstrating reliability
- Avoid duplicate or burdensome conservatism
- Reduce or eliminate the need for high-cost changes to existing T-H analysis

We further recommend that performance goals, and acceptable methods for satisfying them, be developed at public interactions or workshops to develop performance goals and explore methods for satisfying them. This type of public input was not sought when NRC developed the time margin factor.

As with the requirement for automatic suppression, there is a strong likelihood for exemption requests if this provision is maintained, thus defeating the purpose of the rulemaking.

- 5. Another criterion requires that the licensee conduct walkdowns at intervals not to exceed 12 months, using an established crew of operators, to demonstrate that each operator manual action required to achieve and maintain the plant in a hot shutdown condition can be accomplished consistent with the analysis. Demonstrating the ability to perform manual actions every 12 months is inconsistent with other requirements for operator training. As an example, operator training on topics such as emergency operating procedures typically occurs every two years.
- 6. The rule should not be applicable to manual actions previously approved by NRC.